



BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[A-580-899]

Acetone from the Republic of Korea: Final Determination of Sales at Less Than Fair Value

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (Commerce) determines that imports of acetone from the Republic of Korea (Korea) are being, or are likely to be, sold in the United States at less than fair value (LTFV). The period of investigation (POI) is January 1, 2018 through December 31, 2018. For information on the estimated weighted-average dumping margins of sales at LTFV, *see* the “Final Determination” section of this notice.

DATES: Applicable [Insert date of publication in the *Federal Register*].

FOR FURTHER INFORMATION CONTACT: Sean Carey, AD/CVD Operations, Office VII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-3964.

SUPPLEMENTARY INFORMATION:

Background

On September 24, 2019, Commerce published the *Preliminary Determination* of this LTFV investigation.<sup>1</sup> The petitioner in this investigation is the Coalition for Acetone Fair Trade

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<sup>1</sup> See *Acetone from the Republic of Korea: Preliminary Affirmative Determination of Sales at Less Than Fair Value, Postponement of Final Determination, and Extension of Provisional Measures*, 84 FR 50005 (September 24, 2019) (*Preliminary Determination*), and accompanying Preliminary Decision Memorandum.

(the petitioner).<sup>2</sup> The mandatory respondents in this investigation are LG Chem, Ltd. (LG Chem) and Kumho P&B Chemicals, Inc. (KPB). We held a public hearing on January 23, 2020, to address issues raised in the case and rebuttal briefs.<sup>3</sup> A complete summary of the events that occurred since publication of the *Preliminary Determination*, as well as a full discussion of the issues raised by parties for this final determination, may be found in the Issues and Decision Memorandum.<sup>4</sup> The Issues and Decision Memorandum is a public document and is available electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). Access is available to registered users at <http://access.trade.gov>, and to all parties in the Central Records Unit, room B-8024 of the main Commerce building. In addition, a complete version of the Issues and Decision Memorandum can be accessed at <http://enforcement.trade.gov/frn/>. The signed and electronic versions of the Issues and Decision Memorandum are identical in content.

### Scope of the Investigation

The scope of the investigation covers acetone from Korea. Commerce received no scope comments and has not updated the scope of the investigation since the *Preliminary Determination*. For a complete description of the scope of this investigation, see Appendix I to this notice.

### Analysis of Comments Received

The issues raised in the case briefs and rebuttal briefs submitted by interested parties in this investigation are discussed in the Issues and Decision Memorandum. For a list of the issues

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<sup>2</sup> The members of the Coalition for Acetone Fair Trade are AdvanSix Inc., Altivia Petrochemicals, LLC, and Olin Corporation.

<sup>3</sup> See Hearing Transcript, "Public Hearing in the Matter of the Less-Than-Fair-Value Investigation of Acetone from the Republic of Korea" (January 23, 2020).

<sup>4</sup> See Memorandum, "Issues and Decision Memorandum for the Final Affirmative Determination in the Antidumping Duty Investigation of Acetone from the Republic of Korea," issued concurrently with, and adopted by, this notice (Issues and Decision Memorandum).

raised by parties and responded to by Commerce in the Issues and Decision Memorandum, *see* Appendix II to this notice.

#### Verification

Between October 21 and November 19, 2019, we conducted cost and sales verifications of mandatory respondents, LG Chem and its wholly-owned affiliate, LG Chem America, Inc., and KPB, in accordance with section 782(i) of the Tariff Act of 1930, as amended (the Act).<sup>5</sup>

#### Changes Since the Preliminary Determination

Based on our analysis of the comments received and our findings at verification, we made certain changes to the margin calculations since the *Preliminary Determination*. These changes are discussed in the Issues and Decision Memorandum.

#### All-Others Rate

Sections 735(c)(1)(B)(i)(II) and 735(c)(5)(A) of the Act provide that Commerce shall determine an estimated weighted-average dumping margin rate for all other exporters and producers not individually examined (the all-others rate). This rate shall be an amount equal to the weighted average of the estimated weighted-average dumping margins established for exporters and producers individually examined, excluding rates that are zero, *de minimis*, or determined entirely under section 776 of the Act. However, when the estimated weighted-average dumping margins for each of the exporters and producers individually examined are zero, *de minimis*, or determined under section 776 of the Act, Commerce shall use any

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<sup>5</sup> See Memorandum, “Verification of the Cost Response of LG Chem, Ltd. in the Antidumping Duty Investigation of Acetone from the Republic of Korea, dated December 17, 2019; Memorandum, “Verification of the Cost Response of Kumho P&B Chemicals, Inc. in the Antidumping Duty Investigation of Acetone from the Republic of Korea, dated December 18, 2019; Memorandum, “Verification of the Questionnaire Responses of LG Chem, Ltd. and LG Chem America, Inc. in the Antidumping Duty Less Than Fair Value Investigation of Acetone from the Republic of Korea,” dated December 23, 2019; and Memorandum, “Verification of the Questionnaire Responses of Kumho P&B Chemicals, Inc. in the Antidumping Duty Less Than Fair Value Investigation of Acetone from the Republic of Korea,” dated December 23, 2019.

reasonable method to establish the all-others rate, including averaging the estimated weighted-average dumping margins for the exporters and producers individually examined.

In this investigation, Commerce calculated individual estimated weighted-average dumping margins of 47.86 percent for KPB and 25.05 percent for LG Chem, the two individually examined companies. Commerce calculated the rate for the companies not selected for individual examination using a weighted-average of the estimated weighted-average dumping margins calculated for KPB and LG Chem, and each company's publicly-ranged U.S. sale quantities for the merchandise under consideration.<sup>6</sup> This rate was assigned to all other producers or exporters, pursuant to section 735(c)(5)(A) of the Act.

#### Final Determination

Pursuant to section 735 of the Act, Commerce determines the estimated weighted-average dumping margins to be:

<b>Producer or Exporter</b>	<b>Estimated Weighted-Average Dumping Margins (percent)</b>
Kumho P&B Chemicals, Inc.	47.86
LG Chem, Ltd.	25.05
All Others	33.10

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<sup>6</sup> With two respondents under examination, Commerce normally calculates (A) a weighted average of the estimated weighted-average dumping margins calculated for the examined respondents (as directed by the statute) based on the actual reported U.S. sale quantities for each respondent; (B) a simple average of the estimated weighted-average dumping margins calculated for the examined respondents; and (C) a weighted-average of the estimated weighted-average dumping margins calculated for the examined respondents using each company's publicly-ranged U.S. sale quantities for the merchandise under consideration. Because the calculation in (A) includes business proprietary information (BPI) which could be revealed by publicly releasing the results of this calculation, Commerce then compares the calculation results of (B) and (C) to (A) and selects the rate closest to (A) as the most appropriate rate for all other producers or exporters not subject to individual examination. *See Ball Bearings and Parts Thereof from France, Germany, Italy, Japan, and the United Kingdom: Final Results of Antidumping Duty Administrative Reviews, Final Results of Changed-Circumstances Review, and Revocation of an Order in Part*, 75 FR 53661, 53663 (September 1, 2010). For a complete analysis including the BPI data, *see* Memorandum, "Final Determination Calculation for the 'All-Others' Rate," dated concurrently with this notice.

### Disclosure

In accordance with 19 CFR 351.224(b), we will disclose the calculations performed within five days of any public announcement of this determination.

### Continuation of Suspension of Liquidation

In accordance with section 735(c)(1)(B) of the Act, Commerce will instruct U.S. Customs and Border Protection (CBP) to continue to suspend liquidation of all appropriate entries of acetone from Korea, as described in Appendix I of this notice, which were entered, or withdrawn from warehouse, for consumption on or after September 24, 2019, the date of publication of the *Preliminary Determination*.

In addition, pursuant to section 735(c)(1)(B)(ii) of the Act and 19 CFR 351.210(d), Commerce will instruct CBP to require a cash deposit for such entries of merchandise equal to the estimated weighted-average dumping margin as follows: (1) the cash deposit rate for the companies listed in the table above will be equal to the company-specific estimated weighted-average dumping margin identified for that company in the table; (2) if the exporter is not a company listed in the table above, but the producer is, then the cash deposit rate will be equal to the company-specific estimated weighted-average dumping margin listed for that producer of the subject merchandise in the above table; and (3) the cash deposit rate for all other producers and exporters will be equal to the all-others estimated weighted-average dumping margin. These suspension of liquidation instructions will remain in effect until further notice.

### International Trade Commission Notification (ITC)

In accordance with section 735(d) of the Act, we will notify the ITC of the final affirmative determination of sales at LTFV. Because the final determination in this proceeding is affirmative, in accordance with section 735(b)(2) of the Act, the ITC will make its final

determination as to whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports of acetone from Korea no later than 45 days after our final determination. If the ITC determines that material injury or threat of material injury does not exist, the proceeding will be terminated and all cash deposits will be refunded. If the ITC determines that such injury does exist, Commerce will issue an antidumping order directing CBP to assess, upon further instruction by Commerce, antidumping duties on all imports of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the effective date of the suspension of liquidation, as discussed above in the “Continuation of Suspension of Liquidation” section.

#### Notification Regarding Administrative Protective Order (APO)

This notice serves as the only reminder to parties subject to an APO of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of the return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is violation subject to sanction.

#### Notification to Interested Parties

This determination is issued and published in accordance with sections 735(d) and 777(i)(1) of the Act.

Dated: February 6, 2020.

Jeffrey I. Kessler,  
Assistant Secretary  
for Enforcement and Compliance.

## Appendix I

### Scope of the Investigation

The merchandise covered by this investigation is all grades of liquid or aqueous acetone. Acetone is also known under the International Union of Pure and Applied Chemistry (IUPAC) name propan-2-one. In addition to the IUPAC name, acetone is also referred to as β-ketopropane (or beta-ketopropane), ketone propane, methyl ketone, dimethyl ketone, DMK, dimethyl carbonyl, propanone, 2-propanone, dimethyl formaldehyde, pyroacetic acid, pyroacetic ether, and pyroacetic spirit. Acetone is an isomer of the chemical formula  $C_3H_6O$ , with a specific molecular formula of  $CH_3COCH_3$  or  $(CH_3)_2CO$ .

The scope covers both pure acetone (with or without impurities) and acetone that is combined or mixed with other products, including, but not limited to, isopropyl alcohol, benzene, diethyl ether, methanol, chloroform, and ethanol. Acetone that has been combined with other products is included within the scope, regardless of whether the combining occurs in third countries.

The scope also includes acetone that is commingled with acetone from sources not subject to this investigation.

For combined and commingled products, only the acetone component is covered by the scope of this investigation. However, when acetone is combined with acetone components from sources not subject to this investigation, those third country acetone components may still be subject to other acetone investigations.

Notwithstanding the foregoing language, an acetone combination or mixture that is transformed through a chemical reaction into another product, such that, for example, the acetone can no longer be separated from the other products through a distillation process (*e.g.*, methyl methacrylate (MMA) or Bisphenol A (BPA)), is excluded from this investigation.

A combination or mixture is excluded from these investigations if the total acetone component (regardless of the source or sources) comprises less than 5 percent of the combination or mixture, on a dry weight basis.

The Chemical Abstracts Service (CAS) registry number for acetone is 67-64-1.

The merchandise covered by this investigation is currently classifiable under Harmonized Tariff Schedule of the United States (HTSUS) subheadings 2914.11.1000 and 2914.11.5000. Combinations or mixtures of acetone may enter under subheadings in Chapter 38 of the HTSUS, including, but not limited to, those under heading 3814.00.1000, 3814.00.2000, 3814.00.5010, and 3814.00.5090. The list of items found under these HTSUS subheadings is non-exhaustive. Although these HTSUS subheadings and CAS registry number are provided for convenience and customs purposes, the written description of the scope of this investigation is dispositive.

## **Appendix II**

### **List of Topics Discussed in the Issues and Decision Memorandum**

- I. Summary
- II. Background
- III. Scope of the Investigation
- IV. Changes Since the Preliminary Determination
- V. Discussion of the Issues
  - Comment 1: LG Chem's Joint Cost Allocation Methodology
  - Comment 2: KPB's Cost Allocation Method
  - Comment 3: KPB's Purchases from Affiliates
  - Comment 4: LG Chem's Non-Operating Expenses
  - Comment 5: LG Chem's G&A Expense Ratio Calculation
- VI. Recommendation

[FR Doc. 2020-02909 Filed: 2/12/2020 8:45 am; Publication Date: 2/13/2020]